

## Message Text

LIMITED OFFICIAL USE

PAGE 01 SAN SA 00167 132224Z

16

ACTION EB-07

INFO OCT-01 ARA-06 IO-11 ISO-00 AGR-05 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01

FRB-03 OMB-01 L-03 H-02 SS-15 NSC-05 /077 W

----- 081035

R 132208Z JAN 76

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 11

INFO USMISSION GENEVA

LIMITED OFFICIAL USE SAN SALVADOR 0167

GENEVA FOR PHELAN

EO 11652: N/A

TAGS: ETRD ES US

SUBJ: TEXTILES: A MODEST PROPOSAL

REF: 75 SAN SALVADOR 5198

1. IN COURSE OF LUNCHEON MEETING WITH EMBOFF, DIRECTOR OF FOREIGN TRADE INSTITUTE ALFREDO MILIAN DISCUSSED GENERAL GOES THINKING ON TEXTILE TRADE BETWEEN THE US AND EL SALVADOR AND OUTLINED IDEA FOR A MODUS VIVENDI.

2. MILIAN EXPLAINED THAT, CONTRARY TO IMPRESSION GAINED IN EMBASSY DISCUSSION WITH FOREIGN MINISTRY, GOES HAD NO PLANS AT THIS TIME TO MAKE NEW PROPOSAL ON BASIS FOR BILATERAL AGREEMENT. MILIAN SAID THAT BY "RULES OF GAME" BALL WAS IN US COURT, SINCE GOES HAD MADE LAST PROPOSAL, WHICH HAD BEEN FLATLY REJECTED BY US SIDE. MILIAN WAS REFERRING TO AMENDED PROPOSAL MADE AT NOVEMBER CONSULTATIONS, WHICH WOULD HAVE PERMITTED US TO CONSULT ON CATEGORY 224 AT 3 MILLION SYE AND ON 229 AT 3.5 MILLION SYE. IN ANY CASE, ACCORDING TO MILIAN, GOES WILL NOT ACCEPT A BILATERAL UNLESS PROVISIONS COME FAIRLY CLOSE TO TERMS OF LAST GOES PROPOSAL, WHICH CALLED FOR A GLOBAL

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAN SA 00167 132224Z

QUOTA OF 60 MILLION SYE.

3. GOES' PREFERRED ALTERNATIVE, ACCORDING TO MILIAN, WOULD BE TO PUT OFF CONCLUDING AN AGREEMENT WITH THE US UNTIL THE SALVADORAN TEXTILE INDUSTRY HAS ACHIEVED CONSIDERABLY MORE GROWTH. IN THIS CONNECTION, MILIAN ASKED WHETHER IT WOULD BE POSSIBLE TO WORK OUT AN ARRANGEMENT UNDER WHICH THE GOES WOULD COMMUNICATE TO THE USG INFORMATION ON THE INVESTMENT, PRODUCTION AND EXPORT INTENTIONS IN THE TEXTILE INDUSTRY AND THE USG, IN RETURN, WOULD PROVIDE SOME INDICATION OF WHETHER OR NOT LEVELS PROPOSED WOULD BE ACCEPTABLE. THIS INFORMAL ARRANGEMENT WOULD LAST INDEFINITELY, OR UNTIL THE TWO COUNTRIES WERE ABLE TO REACH AGREEMENT ON A BILATERAL. MILIAN SAID THE US COULD BE ASSURED THAT SALVADORAN EXPORTS IN SENSITIVE CATEGORIES WOULD NOT "EXPLODE."

4. EMBOFF TOLD MILIAN THAT US POSITION WAS STILL THAT BILATERAL AGREEMENT UNDER ART. IV WAS PREFERABLE COURSE FOR BOTH COUNTRIES. HE SAID THAT MILIAN'S PROPOSAL DESCRIBED PARA 3 ABOVE WOULD BE TRANSMITTED TO WASHINGTON.

5. EMBASSY WOULD APPRECIATE DEPARTMENT'S VIEWS ON FEASIBILITY OF INFORMAL ARRANGEMENT ALONG LINES PROPOSED BY MILIAN AND, IF APPROPRIATE, INSTRUCTIONS REGARDING RESPONSE TO THE IDEA.  
CAMPBELL

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, TRADE, PROPOSALS (BID), NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976SANSAA00167  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760013-0273  
**From:** SAN SALVADOR  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760162/aaaaccym.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 SAN SALVADOR 5198  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06 MAY 2004 by SmithRJ>; APPROVED <12 MAY 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXTILES: A MODEST PROPOSAL  
**TAGS:** ETRD, ES, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006